**PRESS RELEASE**

# ISR Capital Seeks Shareholder Approval for Acquisition of Rare Earth Mine in Madagascar

**SINGAPORE, 15 October 2018 –** Singapore Exchange ("SGX") Mainboard-listed **ISR Capital Limited** ("ISR Capital" or the "Company") announced today that it will convene an Extraordinary General Meeting on 30 October 2018 to seek shareholder approval for its proposed acquisition of a controlling stake in a company which holds an exploration licence for a rare earth mining concession in Madagascar via its wholly owned subsidiary.

ISR Capital is seeking to acquire a 60%-stake in **Tantalum Holding (Mauritius) Ltd** ("THM") (the "Proposed Acquisition"), which owns 100% of **Tantalum Rare Earth Malagasy S.A.R.L.U.** ("TREM"). TREM holds an exploration licence for the concession in Madagascar, an island off the east coast of Africa.

The Company received in-principle approval from SGX for the listing and quotation of the new ordinary shares in connection with the Proposed Acquisition on 14 September 2018. The SGX's in-principle approval is not to be taken as an indication of the merits of the Proposed Acquisition, the new shares, the Company or its subsidiaries.

In its circular to shareholders, ISR Capital said that, subject to shareholders' approval, the S$3.0 million proposed acquisition will be satisfied by the issue of 747,257,307 new ordinary ISR Capital shares at an issue price of S$0.004 a share.

Located in Madagascar's Ampasindava peninsula, the 238-square kilometre concession is one of the only known ionic clay mines with rare earth potential outside the People's Republic of China ("PRC"), the current world leader in industrial rare earth production. The Madagascar concession is considered large compared to its counterparts in the PRC. An independent valuation report issued in September 2018 by Behre Dolbear Australia Pty Limited listed the concession's most likely preferred value as US$44.5 million (approximately S$61.4 million).

Rare earth materials possess unique magnetic, luminescent and electrochemical properties which can make specialised high-tech metal products lighter, smaller, more durable and more energy-efficient. They are critical for the production of high-quality permanent magnets, which are found in everything from electric cars and smartphones to wind turbines and satellite communication systems.

Subject to shareholders' approval, ISR Capital will require the renewal of TREM's current exploration licence, which in turn requires the signatures of the Minister of Mines and the

Prime Minister of Madagascar, before the completion of the Proposed Acquisition. Upon completion of the Proposed Acquisition, ISR Capital will conduct a feasibility study to define the project's scope, determine initial costs and assess environmental impact.

Following the renewal of the exploration licence and completion of the Proposed Acquisition, ISR Capital and TREM will begin converting the licence into a Permis de Exploitation, a longer-term commercial mining permit.

Mr Chen Tong, Executive Chairman of ISR Capital, said: "We thank the Singapore Exchange for granting us the in-principle approval, which we understand should not be taken as an indication of the merits of the Proposed Acquisition. However, we trust that shareholders will support this transaction, which will transform the strategic direction of the Company going forward."

"This is an exciting opportunity for us as the global rare earth metals market is anticipated to reach about US$8.2 billion (approximately S$11.3 billion) in value by end-2018, due to the high demand for rare earth oxides and their many scientific applications. We are confident of restoring shareholder value by expanding into this promising sector," he added.

**## End of Release ##**

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**About ISR Capital**

Established in June 2001, ISR Capital Limited is in the business of proprietary investments and providing investment advisory services, focusing on the natural resource space, as well as selectively participating in non-resource projects which show compelling growth prospects, by way of either direct or indirect investments. ISR Capital Limited has grown from strength to strength, forging strategic partnerships in Singapore, Asia and the Australasian region. Through strategic alliances with the best, ISR leverages on its strong business network and expertise to achieve collaborative growth.